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Aid to resistance focus of Justice investigation

By J. H. Doyle
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The Justice Department is investigating whether top White House officials violated the law by funding Nicaragua's anti-Marxist rebels — without the president's knowledge — through profits from arms sales to Iran, Attorney General Edwin Meese III said yesterday.

Between \$10 million and \$30 million in "overcharges" paid by unnamed Iranian officials to "Israeli representatives" in exchange for six shipments of weapons was deposited into anonymous Swiss bank accounts and withdrawn by Nicaraguan resistance leaders, Mr. Meese said at a White House news conference.

Justice Department officials and FBI agents are investigating Lt. Col. Oliver North, a senior National Security Council official who was fired yesterday, and several other current and former White House and CIA officials, government sources said.

Col. North reportedly arranged several "third-party" shipments of American-made weapons from Israel to Iran during the past 15 months, as well as the transfer of funds from Iran to the so-called Contras in Nicaragua.

"All the money owed to the U.S. government [for the arms shipments] was paid to the U.S. government," Mr. Meese said. "No American person handled the funds that went to the forces in Central America."

In the past four days, Justice Department officials interviewed Robert McFarlane, the president's former national security adviser; Vice Adm. John M. Poindexter, who resigned yesterday as national security adviser; Col. North; Vice President George Bush; White House Chief of Staff Donald Regan; and CIA director William J. Casey.

Col. North, Adm. Poindexter and Mr. McFarlane knew that money from the U.S. arms sales to Iran was being channeled to the Nicaraguan resistance, but they did not inform the president, Mr. Meese said.

The attorney general also said Mr. Reagan and Mr. Casey were aware of most arms shipments from August 1985 to September 1986, but not the transfer of funds to the Nicaraguan rebels.

He said that at least 2,008 TOW anti-tank weapons sent by Israel to Iran were from Defense Department stockpiles. Of the money Iran paid for the weapons, the Israelis returned to the United States — through the CIA — the "exact amount of the money that was owed"

for the weapons. The Israelis then deposited the difference into Swiss bank accounts controlled by the rebels, he said.

Israeli officials yesterday admitted shipping U.S. arms to Iran but denied transferring any money to the Nicaraguan resistance.

The attorney general ordered the sweeping investigation with the president's approval, sources said, and has directed the FBI to assist.

In a short statement, the president said he would establish a separate policy review board to examine the National Security Council.

If the Justice investigation yields specific and credible evidence of criminal wrongdoing, the department may petition a three-judge panel of the U.S. District Court of Appeals in Washington to appoint a

special prosecutor.

Under the 1978 Ethics in Government Act, the federal panel has the power to name an "independent prosecutor" to investigate current and former top-ranking government officials.

The Justice Department is also investigating whether NSC officials contracted services from retired U.S. military officers and former CIA agents — whose names have been publicly linked to a network of U.S.-based supporters of the Nicaraguan rebels — to help facilitate the arms shipments to Iran, sources said.

Justice officials are trying to determine whether there is any con-

nection between the money funneled by the Israelis to the Nicaraguan rebels and a private resupply effort to the resistance.

The private supply line was made public this fall when a plane carrying U.S. arms crashed in Nicaragua, resulting in the capture and imprisonment of American Eugene Hasenfus.

Justice investigators plan to question a tight-knit group of resistance supporters, including retired U.S. Air Force Maj. Gen. Richard V. Secord, an expert on Middle East affairs; and retired Army Maj. Gen.

John Singlaub, who heads the World Anti-Communist League.

Gen. Secord, who lives in McLean and has an unpublished telephone number, could not be reached for comment. Attempts to reach Gen. Singlaub were unsuccessful.

As part of its investigation, the department is trying to determine whether NSC and CIA officials orchestrated an illegal effort to skirt the so-called Boland amendment that prohibited U.S. government officials from supplying weapons and military training to Nicaraguan rebels prior to Oct. 1.

The amendment permitted the administration to provide humanitarian assistance to the rebels. In fiscal 1986, the United States sent them \$27 million in medical and humanitarian aid.

The Justice Department also is trying to determine whether NSC and CIA officials violated a panoply of arms export and intelligence oversight laws by facilitating arms shipments to Iran, and by not notifying congressional leaders in a "timely manner" about the operation.

These laws include the Omnibus Diplomatic Security and Anti-Terrorism Act of 1986, which the president signed Aug. 27. The act forbids U.S. officials from sending munitions to Iran because the nation is on the State Department's list of nations that sponsor terrorism.

Other laws in question include:

- The Arms Export Control Act of 1976, which states that congressional approval is needed for weapons shipments totaling \$14 million or more. The law permits a presidential waiver in the interest of national security, provided he notifies congressional leaders.

The law also governs the transfer of U.S. weapons by any third-party nation, such as Israel, to another country.

- The Export Administration Act of 1979, which prohibits the shipment of dual-use goods that may be used for military purposes to nations on the State Department's list of terrorist countries.

The law requires the secretary of state to notify Congress 30 days before a license is approved for the export of "goods or technology" that would contribute significantly to the

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military potential of a terrorist state.

- The Intelligence Oversight Act of 1980, an amendment to the National Security Act of 1947 that requires the president to inform the Senate and House intelligence committees in a "timely" fashion of special intelligence operations.

- The Intelligence Authorization Act of 1987, which requires U.S. intelligence agencies to notify the House and Senate intelligence committees of any "significant intelligence activity."

- *Rita McWilliams contributed to this report.*